

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7096**

**BILL NUMBER: HB 1796**

**DATE PREPARED:** Jan 10, 2001

**BILL AMENDED:**

**SUBJECT:** Employee Access to Personnel Records.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that an employer, upon written request from the employee, shall provide an employee with an opportunity to review the employee's personnel records on a periodic basis. The bill provides a procedure if the employee disagrees with the information contained in the personnel record. The bill prohibits an employer from gathering or keeping a record of an employee's associations, political activities, publications, or communications of activities outside employment, subject to certain exceptions. The bill also provides that if an employer has reasonable cause to believe that an employee is engaged in criminal activity that may result in loss or damage to the employer's property or disruption of the employer's business operation, and the employer is engaged in an investigation, then the employer may keep a separate file of information relating to the investigation. The bill provides that a court may award damages to an employee if the employer violates any of these provisions, along with attorney's fees and court costs.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill could impact state agencies in so far as it may require them to make changes in the management of employment records. The bill specifies what types of information may be included in an employment record and specifies procedures for disagreements over the contents of employee records. The agency costs associated with this bill are expected to be minimal. Under current law, public employees and their agents have the right to view their individual personnel files.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The provisions in the bill described above would also apply to local units that have at least four employees.

The bill also has the potential of increasing local courts' administrative costs to the extent that it allows employees to commence an action in a circuit or superior court if an employer fails to comply with the bill's

provisions.

**Explanation of Local Revenues:**

**State Agencies Affected:** All; Criminal justice agencies.

**Local Agencies Affected:** All; Courts; Criminal justice agencies.

**Information Sources:** Public Access Counselor.